

No. 5353

**INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT
and
COLOMBIA**

**Guarantee Agreement—Bogotá Power Project (with annexed
Loan Regulations No. 4 and Loan Agreement between
the Bank and Empresa de Energía Eléctrica de Bogotá).
Signed at Washington, on 20 January 1960**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
20 September 1960.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
COLOMBIE**

**Contrat de garantie — Projet de Bogotá relatif à l'énergie
électrique (avec, en annexe, le Règlement n° 4 sur les
emprunts et le Contrat d'emprunt entre la Banque et la
Empresa de Energía Eléctrica de Bogotá). Signé à
Washington, le 20 janvier 1960**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement le
20 septembre 1960.*

No. 5353. GUARANTEE AGREEMENT¹ (*BOGOTÁ POWER PROJECT*) BETWEEN THE REPUBLIC OF COLOMBIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 20 JANUARY 1960

AGREEMENT, dated January 20, 1960, between REPUBLIC OF COLOMBIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Empresa de Energía Eléctrica de Bogotá (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to seventeen million six hundred thousand dollars (\$17,600,000) on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower ;

Now THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956, subject,³ however, to the modifications thereof set forth in Schedule 3³ to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

¹ Came into force on 10 August 1960, upon notification by the Bank to the Government of Colombia.

² See p. 58 of this volume.

³ See p. 74 of this volume.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, and the punctual performance of all the covenants and agreements of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for carrying out the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect ; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods ; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

As used in this Section, (a) the term "assets of the Guarantor" includes assets of the Guarantor or of any of its political subdivisions or of any Agency including the Banco de la República, and (b) the term "Agency" means any agency or instrumentality of the Guarantor or of any political subdivision of the Guarantor and shall include any institution or organization which is owned or controlled directly or indirectly by the Guarantor or by any political subdivision of the Guarantor or the operations of which are conducted primarily in the interest of or for account of the Guarantor or any political subdivision of the Guarantor.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories ; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

Section 3.06. The Guarantor covenants that it will not take or permit any of its political subdivisions or any of its agencies or any agency of any political subdivision to take any action which would prevent or interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained, and will take or cause to be taken all reasonable action which shall be necessary in order to enable the Borrower to perform such covenants, agreements and obligations.

Section 3.07. The Guarantor covenants that it will from time to time grant or cause to be granted to the Borrower rates which will provide revenues sufficient :

(a) to cover operating expenses, including taxes, if any, adequate maintenance and depreciation, and interest ; (b) to meet repayments on long-term indebtedness to the extent that such repayments shall exceed provision for depreciation ; and (c) to leave, after paying, or providing for, dividends, if any, a reasonable surplus to finance new investment.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance and Public Credit of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Republic of Colombia
Ministerio de Hacienda y Crédito Público
Palacio de los Ministerios, Plaza San Agustín
Bogotá, Colombia

Alternative address for cablegrams and radiograms :

Minhacienda
Bogotá, Colombia

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington 25, D. C.
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

Section 5.02. The Minister of Finance and Public Credit of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Colombia :

By Ignacio MESA
Authorized Representative

International Bank for Reconstruction and Development :

By W. A. B. ILIFF
Vice-President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 JUNE 1956

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN
MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 260, p. 376.*]

LOAN AGREEMENT

(BOGOTÁ POWER PROJECT)

AGREEMENT, dated January 20, 1960, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and EMPRESA DE ENERGÍA ELÉCTRICA DE BOGOTÁ (hereinafter called the Borrower).

Article I

LOAN REGULATIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956¹, subject, however, to the modifications thereof set forth in Schedule 3² to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

¹ See above.

² See p. 74 of this volume.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to seventeen million six hundred thousand dollars (\$17,600,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($3/4$ of 1 %) per annum on the principal amount of the Loan not so withdrawn from time to time. Such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations.

Section 2.04. The Borrower shall pay interest at the rate of six per cent (6 %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one half of one per cent ($1/2$ of 1 %) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on May 15 and November 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2² to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

¹ See p. 72 of this volume.

² See p. 74 of this volume.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be imported into the territories of the Guarantor and there to be used exclusively in the carrying out of the Project.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The General Manager (*Gerente General*) of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices. To assist it in carrying out the Project, the Borrower shall employ competent and experienced engineering consultants and contractors and the terms and conditions of their employment shall be satisfactory to the Bank.

(b) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(c) The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods, the Borrower's properties and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, and the operations and financial condition of the Borrower.

Section 5.02. (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

Section 5.03. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower, or of any corporation or company all or a majority of the capital stock of which shall be owned by the Borrower, as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provisions will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

Section 5.04. The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement¹ or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 5.05. The Borrower shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds.

Section 5.06. Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall take out or cause to be taken out and maintain or cause to be maintained such insurance, against such risks and in such amounts, as shall be consistent with sound business practices. Insurance covering marine and transit hazards on the goods financed out of the proceeds of any part of the Loan shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

Section 5.07. (a) The Borrower shall at all times maintain its existence and right to carry on operations and shall, except as the Bank shall otherwise agree, take all steps necessary to maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business.

(b) The Borrower shall operate and maintain its plants, equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards; and shall at all times operate its plants and equipment and maintain its financial position in accordance with sound business and public utility practices.

¹ See p. 50 of this volume.

Section 5.08. The Borrower shall not, without the consent of the Bank, sell or otherwise dispose of all or substantially all of its property and assets or all or substantially all the property included in the Project or any plant included therein, unless the Borrower shall first redeem and pay, or make adequate provision satisfactory to the Bank for redemption or payment of, all of the Loan which shall then be outstanding and unpaid.

Section 5.09. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not incur debt unless its net revenues for the fiscal year next preceding such incurrence or for a later twelve-month period ended prior to such incurrence, whichever is the greater, shall be not less than 1.3 times the maximum debt service requirement for any succeeding fiscal year on all debt, including the debt to be incurred. For the purposes of this Section :

(a) The term "debt" shall include the assumption and guarantee of debt and shall mean all indebtedness of the Borrower maturing by its terms more than one year after the date on which it is incurred and indebtedness maturing on demand, or by its terms in one year or less, in excess of 10,000,000 Colombian pesos ;

(b) Debt shall be deemed to be incurred on the date of execution and delivery of a contract or loan agreement providing for such debt ;

(c) The term "net revenues" shall mean gross revenues from all sources, adjusted to take account of rates in effect at the time of the incurrence of debt even though they were not in effect during the fiscal year or twelve-month period to which such revenues relate, less all operating and administrative expenses, including provisions for taxes, if any, but before provision covering depreciation, interest and other charges on debt ;

(d) The term "debt service requirement" shall mean the aggregate amount of amortization (including sinking fund payments, if any) interest and other charges on debt ; and

(e) Debt service payable in a currency other than Colombian pesos shall be valued at the rate of exchange at which such other currency is obtainable, on the date the additional debt is incurred, for the purpose of servicing such debt, or if such currency is not so obtainable, at the rate of exchange reasonably determined by the Bank.

Section 5.10. The Borrower shall take all steps necessary or desirable to obtain such adjustments in its rates as will provide revenues sufficient : (a) to cover operating expenses, including taxes, if any, adequate maintenance and depreciation, and interest ; (b) to meet repayments on long-term indebtedness to the extent that such repayments shall exceed provision for depreciation ; and (c) to leave, after paying, or providing for, dividends, if any, a reasonable surplus to finance new investment.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Article VII

EFFECTIVE DATE ; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (a) (ii) of the Loan Regulations :

(a) the Borrower shall have submitted evidence to the Bank that an appropriate increase, mutually satisfactory to the Borrower and the Bank, in the rates charged by the Borrower has been duly authorized ;

(b) clarification in a manner satisfactory to the Bank of the term net profits (*las utilidades liquidas*) as used in the Second Clause of Resolution No. 60 of 1959 of the Municipal Council of the Special District of Bogota ; and

(c) the Municipal Council of Bogota shall have adopted a resolution (*acuerdo*) establishing in a manner satisfactory to the Bank the basis for the selection of the members of the Borrower's Board of Directors (*Junta Directiva*) upon the expiration of the *fideicomiso* created by Presidential Decree No. 1128 of 1951, extended by Presidential Decree No. 0744 of 1954 and affirmed by Municipal *Acuerdos* Nos. 18 and 30 of 1959.

Section 7.02. The following is specified as an additional matter within the meaning of Section 9.02 (e) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

that the steps taken for clarification of the term net profits (*las utilidades liquidas*) are valid and binding upon the Municipality of Bogota.

Section 7.03. A date 90 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be April 30, 1963.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Empresa de Energía Eléctrica de Bogotá
Bogota, Colombia

Alternative address for cablegrams and radiograms :

Energía
Bogotá, Colombia

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By W. A. B. ILIFF
Vice-President

Empresa de Energía Eléctrica de Bogotá :

By Manuel J. MADERO PARIS
Authorized Representative

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
May 15, 1963	\$198,000	May 15, 1974	\$379,000
November 15, 1963	203,000	November 15, 1974	390,000
May 15, 1964	210,000	May 15, 1975	402,000
November 15, 1964	216,000	November 15, 1975	414,000
May 15, 1965	222,000	May 15, 1976	426,000
November 15, 1965	229,000	November 15, 1976	439,000
May 15, 1966	236,000	May 15, 1977	452,000
November 15, 1966	243,000	November 15, 1977	466,000
May 15, 1967	250,000	May 15, 1978	480,000
November 15, 1967	258,000	November 15, 1978	494,000
May 15, 1968	266,000	May 15, 1979	509,000
November 15, 1968	274,000	November 15, 1979	524,000
May 15, 1969	282,000	May 15, 1980	540,000
November 15, 1969	290,000	November 15, 1980	556,000
May 15, 1970	299,000	May 15, 1981	573,000
November 15, 1970	308,000	November 15, 1981	590,000
May 15, 1971	317,000	May 15, 1982	608,000
November 15, 1971	327,000	November 15, 1982	626,000
May 15, 1972	336,000	May 15, 1983	645,000
November 15, 1972	346,000	November 15, 1983	664,000
May 15, 1973	357,000	May 15, 1984	684,000
November 15, 1973	368,000	November 15, 1984	704,000

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 3 years before maturity	½ %
More than 3 years but not more than 6 years before maturity	1 %
More than 6 years but not more than 11 years before maturity	2 %
More than 11 years but not more than 16 years before maturity	3 %
More than 16 years but not more than 21 years before maturity	4 %
More than 21 years but not more than 23 years before maturity	5 %
More than 23 years before maturity	6 %

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The power generation and distribution facilities of the Borrower will be expanded through installation of new hydroelectric and thermoelectric generation units plus additions to the Borrower's transmission and distribution systems. The Project consists of the following :

1. Construction across the Siecha-Tomine River of an earth-fill dam with an initial height of about 38 meters to create a reservoir for improved regulation of the Bogota River. Installation on the Bogota River of a related control structure and a pumping station to pump into the Tomine Dam water of the Bogota River not otherwise regulated and used.
2. Addition of a fourth hydroelectric generation unit in the existing Laguneta plant. A turbine generator of 18 MW capacity plus all necessary electrical, mechanical and civil appurtenances will be installed.
3. Construction, at a site adjacent to the existing Salto hydroelectric plan, of a new station, to be known as Salto II, including a tunnel, penstocks, outlet works and all necessary electrical, mechanical and civil appurtenances for the complete installation of two 33 MW hydroelectric generation units and sending substation.
4. Installation, at a site near Zipaquira, of a single unit 33 MW thermoelectric generation station. All necessary auxiliary power station equipment such as wiring, controls, coal handling equipment, pumps and piping, including a substation, will be installed.
5. Additions and modifications to existing substations, tie-lines and transmission lines which connect the Laguneta and Salto stations to the system and, in the city of Bogota, additions and modifications to the terminal substations through which power is distributed to the city.
6. Additions and modifications to the Borrower's secondary distribution facilities in Bogota and vicinity.
7. Purchase of geological equipment for, and finance for surveys of, studies to determine the basis for further exploitation of the hydroelectric potential of the Bogota River complex.

SCHEDULE 3

MODIFICATIONS OF LOAN REGULATIONS No. 4

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows :

(a) By the deletion of Section 2.02.

(b) By the deletion of Section 9.03 and the substitution therefor of the following Section :

“Effective Date. Except as shall be otherwise agreed by the Bank and the Borrower, the Loan Agreement and Guarantee Agreement shall come into force and effect on that date upon which the Bank shall send to the Borrower and the Guarantor notice of its acceptance of the evidence required by Section 9.01.”

(c) Paragraph 14 of Section 10.01 is changed to read as follows :

“14. The term ‘external debt’ means any debt payable in any medium other than currency of the Guarantor, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium.”